

## Attachment: ANCSA Corporation Background

### 13 Regional ANCSA Corporations



The **Alaska Native Claims Settlement Act (ANCSA)** was signed into law by President Richard M. Nixon on December 18, 1971, the largest land claims settlement in United States history. ANCSA was intended to resolve the long-standing issues surrounding aboriginal land claims in Alaska, as well as to stimulate economic development throughout Alaska. The settlement extinguished Alaska Native claims to the land by transferring titles to twelve Alaska Native regional corporations and over 200 local village corporations. A thirteenth regional corporation was later created for Alaska Natives who no longer resided in Alaska. The act is codified as 43 U.S.C. 1601 et seq.

#### **Understanding split estate (surface and subsurface rights and revenue sharing)**

Land that is divided and shared between an ownership of the surface estate and one of the subsurface ownership estate is what is known as a “split estate.” As applied under ANCSA, the subsurface estate is comprised of a set, or bundle, of rights that allow the owner the right to access, develop and benefit from the minerals, oil and gas, and geothermal resources located within the lands. Invariably, this sharing or splitting of the lands causes tension between the surface and subsurface owner.

In anticipation of the tension “split estate” would cause, the framers of ANCSA created a specific section that requires a major portion of all proceeds from subsurface resource development to be redistributed to all regional and village corporations. This is a means of insuring that the benefits from development

accrue not only to the subsurface owner (regional corporations) but also to the surface owner (village corporations). Section 7(i) of ANCSA also applies to timber resources, and requires that 70 percent of all profit from resource development be distributed to all other regional corporations on a per capita basis. Each regional corporation, in turn, must distribute 50 percent of the 7(i) receivables to their village corporations. These annual, semi-annual, or quarterly payments to the village corporations are called 7(j) payments.

In effect, village corporations (surface estate owners) receive 35 percent of all profit generated from any mining, oil, or timber development on ANCSA lands. If a shareholder of the regional corporation is not a member of a village corporation (an “at-large” shareholder) that person receives a portion of the 7(j) funds based on the percapita formula. It is important to remember where this source of money comes from and that Section 7(i) was an equitable distribution derived from the irregular pattern of resource wealth in the state. (source: <http://beringstraits.com/theland/>)

### **Ahtna, Incorporated**

**Ahtna, Incorporated** is one of thirteen Alaska Native Regional Corporations created under the Alaska Native Claims Settlement Act of 1971 (ANCSA) in settlement of aboriginal land claims. Ahtna, Incorporated was incorporated in Alaska on June 23, 1972. Headquartered in Glennallen, Alaska, Ahtna is a for-profit corporation with more than 1,700 Alaska Native shareholders primarily of Ahtna Athabaskan descent.

Ahtna, Inc. stewards over 1,500,000 acres (6,100 km<sup>2</sup>) of lands granted through land claims under ANCSA finalized between 1971 and 1998. The Ahtna region is located primarily in the Copper River region in the Valdez-Cordova Census Area of Alaska, with a small spillover into the neighboring Denali Borough in the area of Cantwell. Ahtna's total entitlement under ANCSA is 1,770,000 acres (7,160 km<sup>2</sup>).

Ahtna Netiye', Inc., the holding company of Ahtna, Inc. manages fifteen operating subsidiaries, all of which are wholly owned. These subsidiary companies are involved in a number of corporate activities, including civil and vertical construction, environmental remediation, facilities management and support services, government contracting, and oil and gas pipeline maintenance and construction.

### **The Aleut Corporation**

The Aleut Corporation (TAC) is a for-profit corporation with approximately 3,410 Alaska Native shareholders primarily of Aleut descent originating in the Alaska Peninsula, Aleutian Islands, Pribilof Islands, and Shumagin Islands of Alaska.

Under ANCSA, The Aleut Corporation received a settlement of \$19.5 million. Its land entitlement included 66,000 acres (270 km<sup>2</sup>) of surface lands and 1.572 million acres (6,362 km<sup>2</sup>) of subsurface estate.

TAC's primary business areas are in the areas of government contracting; telecommunications; environmental remediation; real estate management; trust management; sales of sand, gravel, mineral, and rock aggregates; and investments in oil and gas producing properties and marketable securities.

### **Arctic Slope Regional Corporation (ASRC)**

At incorporation, Arctic Slope Regional Corporation enrolled 3,800 Alaska Native shareholders, each of whom received 100 shares of ASRC stock. Amendments to ANCSA in 1988 permitted ANCSA regional corporations to enroll as shareholders Alaska Natives born after 1971, and in 1989 ASRC shareholders chose to do so. ASRC presently has about 11,000 shareholders. As an ANCSA corporation, ASRC has no publicly traded stock and its shares cannot legally be sold.

In both 2009 and 2008 the company appeared on the list of Top 100 US Federal Contractors, with contracts totaling \$637.2 million and \$791.2 million respectively. ASRC holds title to approximately 5,000,000 acres (20,000 km<sup>2</sup>) of Alaska's North Slope. Most of these lands are highly prospective for oil and gas, coal and base metal sulfides. Some of the lands contain known resource reserves such as the Alpine Oil Field and the Western Arctic Coalfields.

### **Bering Straits Native Corporation**

Headquartered in Nome, Alaska, Bering Straits Native Corporation is a for-profit corporation with about 6,700 Alaska Native shareholders primarily of Inupiat, Siberian Yupik, and Yup'ik descent.

The BSNC region encompasses most of the Seward Peninsula and eastern Norton Sound in Alaska. BSNC's land entitlement under ANCSA includes over 2.1 million acres (8,900 km<sup>2</sup>) of surface and/or subsurface estate in this region. While other regions in the state have timber or oil reserves, the Bering Strait region has minerals. For BSNC, this meant selecting areas with tin and gold potential (Cassiterite Peak, Mount Distin, the Kougarok area, and Christmas Mountain, possible oil and gas (Reindeer Cove), geothermal reserves (Lava Creek), and uranium and rare earth deposits (Mount Arathlatulik). The 17 village corporations within the region would receive approximately 2 million acres of surface estate. Some village corporations chose whole watersheds to protect their subsistence/tradition areas (Mary's Igloo, Koyuk, and others), some selected the shoreline for the sealing camps and access to ocean they depended upon (Shaktoolik, Golovin, St. Michael), and others combined their traditional land needs with lands that might have future potential for other uses (Sitnasuak, Council, Inalik).

For centuries the land has provided a livelihood for the residents of the Bering Straits/Seward Peninsula/Norton Sound region. Subsistence continues to be a central activity in the lives of our shareholders.

### **Bristol Bay Native Corporation**

Headquartered in Anchorage, Alaska, Bristol Bay Native Corporation is a for-profit corporation with approximately 8,700 Alaska Native shareholders primarily of Yup'ik, Alutiiq, Aleut, and Dena'ina Athabaskan descent. As of October 2013, BBNC owns a total of 14 subsidiaries specializing in oilfield and industrial Service, administration, government services, petroleum distribution, and construction.

Bristol Bay Native Corporation announced that it had acquired Anchorage-based Peak Oilfield Service Company in October 2013 from Nabors Alaska Services Corporation. Peak provides services on the Alaska North Slope, Valdez, Cook Inlet, and North Dakota.

BBNC Position on Development, Adopted 2010:

<http://www.bbnc.net/images/stories/newfolder/bbnc%20postion%20on%20development%20may%202010%20final.pdf>

*Excerpt:* “The Board has recently gone on record opposing the Pebble Mine Project as well as off-shore oil and gas leasing in the North Aleutian Basin. The decision was made with deference to the Land Resources Policy, along with careful research and thoughtful discussion by the Board of Directors, in order to protect the best interest of our shareholders and the lands we own and manage. This Resource Protection policy represented a change from the corporation’s proactively neutral position on the project adopted in 2006; it was adopted due to the unquantifiable impacts the Board judged the project could have on the natural resources of the region.

BBNC remains engaged in the Pebble Mine project permitting process as an effective advocate on behalf of its shareholders and the corporation’s mission and values. We continue to seek responsible development opportunities that will best reflect our corporate mission, “Enriching our Native way of life.”

### **Calista Corporation**

Although the Calista region is in western Alaska, Calista Corporation is headquartered in Anchorage, Alaska. Calista is a for-profit corporation which currently has almost 14,000 shareholders, almost all of whom are Central Alaskan Yup'ik people, and most of whom still speak the Yup'ik language and live a largely subsistence lifestyle of hunting, fishing, and gathering.

Because of the importance of the land to the traditional subsistence economies of the region's Yup'ik residents, including the bulk of Calista's shareholders, Calista concentrated most of its land selections under ANCSA in the areas surrounding the region's 56 villages.

Under ANCSA, Calista Corporation also holds subsurface estate correlating to 6.2 million acres (25,000 km<sup>2</sup>) of surface lands selected by the 46 ANCSA village corporations in the Calista region. Calista’s own entitlement includes 238,000 acres (960 km<sup>2</sup>) of fee estate lands. Of these lands so far conveyed to the corporation, about half are in areas with high mineral potential or current mineral production. Sand, gravel, and quarry rock also form a significant portion of Calista's subsurface estate. Calista is encouraging exploration for oil and natural gas resources in the region.

In a land exchange with the federal government, finalized in 2001, some of Calista's surface land parcels and a portion of its subsurface estate were incorporated into the Yukon Delta National Wildlife Refuge, while preserving subsistence hunting and fishing rights.

Calista is land owner to subsurface rights from ANCSA, and holds title to the large Donlin Creek gold deposit, which is leased to Barrick Gold and NovaGold Resources.

Key Calista businesses include oil well services, telecommunication and VoIP services, secure data hosting, cybersecurity, business services, equipment leasing, computer consulting, real estate, environmental consulting, construction, marketing and advertising.

### **Chugach Alaska Corporation**

Headquartered in Anchorage, Alaska, Chugach Alaska Corporation is a for-profit corporation with over 2,200 Alaska Native shareholders primarily of Chugach Alutiiq, Eyak, and Tlingit descent. The Chugach region encompasses about 10 million acres (40,000 km<sup>2</sup>) in Prince William Sound and coastal areas of southcentral Alaska, including the southern coast of the Kenai Peninsula. Chugach Alaska Corporation's land entitlement under ANCSA includes about 378,000 acres (1,530 km<sup>2</sup>) of both surface and subsurface estate and a further 550,000 acres (2,200 km<sup>2</sup>) of subsurface estate, for a total of 928,000 acres (3,760 km<sup>2</sup>). As of 2006, CAC has received about 94% of its total entitlement.

The corporation filed for Chapter 11 bankruptcy protection in 1991 as a result of a fallout in the timber industry, a salmon glut, a fire at its Orca cannery, and the 1989 Exxon Valdez oil spill's impact on the local herring population. In 2003 Chugach ranked second in *Alaska Business Monthly's* list of Top 49ers, a ranking of the top Alaskan-owned and operated businesses.

The Chugach Alaska Corporation region includes the communities of Cordova, Seward, Valdez, Whittier, Port Graham, Chenega Bay, Eyak, Nanwalek (English Bay) and Tatitlek. The Chugach region includes more than 5,000 miles of coastline along the southern tip of the Kenai Peninsula, through the Kenai Fjords, Prince William Sound and Gulf of Alaska.

Approximately 550,000 acres of Chugach land are subsurface estate where Native village corporations have surface entitlements. Chugach holds title to full fee and subsurface estates within the boundaries of the Chugach National Forest, Kenai Fjords and the Wrangell-St. Elias National Parks. Timber and mineral resources.

### **Cook Inlet Region Inc. (CIRI)**

Headquartered in Anchorage, Alaska, CIRI is a for-profit corporation, and is owned by more than 7,300 Alaska Native shareholders of Athabaskan and Southeast Indian, Inupiat, Yup'ik, Alutiiq and Aleut descent. The CIRI region in the Cook Inlet area of southcentral Alaska is the traditional homeland of the Dena'ina and Ahtna Athabaskan peoples, and about 40 percent of CIRI shareholders are of Dena'ina or Ahtna descent. However, as the CIRI region also holds the urban center of Alaska, including Alaska's largest city, Anchorage, the region has attracted Alaska Natives from many other parts of the state. Consequently, CIRI's shareholder population is diverse, including descendants of all Alaska Native cultures, including Dena'ina, Ahtna, other Athabaskans, Tlingit, Tsimshian, Eyak and Haida Indians; Iñupiat, Yup'ik, Siberian Yupik, and Alutiiq Eskimos; and Aleuts. As a result, about 20% of CIRI's shareholders also enrolled in Cook Inlet's ANCSA "Village Corporations". Most other ANCSA regional corporations have the opposite 80/20 At-large/Village shareholder ratio, demonstrating urban migration and assimilation patterns that affect the operations of the regional corporations.

While CIRI was granted land selections through the 1971 Alaska Native Claims Settlement Act (ANCSA), the acreage offered included primarily mountainous, remote areas. CIRI's early leadership fought for and negotiated the historic Cook Inlet Land Exchange, passed by Congress in 1976, which profoundly affected CIRI's future success. The land exchange allowed CIRI to trade its ANCSA selections for undeveloped resource-rich lands with great potential. CIRI is Southcentral Alaska's largest private landowner, with more than 750,000 acres of subsurface land in and around oil-producing regions on the Kenai Peninsula and the west side of Cook Inlet.

Cook Inlet natural gas supplies, the region's primary energy generation source, have been steadily dwindling in recent years. Cook Inlet gas has been considered "stranded" since its discovery in the 1950s, because global gas prices were not high enough to justify building a pipeline or other means of exporting the gas to external markets. Consequently, Southcentral Alaska customers for decades paid 30 to 50 percent less for gas than Lower 48 prices.

CIRI sees a window to encourage new Cook Inlet gas development before importation from outside the region becomes necessary, and is moving swiftly to attract new exploration entrants, including independent oil and gas companies.

In October 2009, Cook Inlet Region, Inc. announced plans to pursue the first underground coal gasification project in the country.

### **Doyon**

Doyon's land entitlement under ANCSA is about 12.5 million acres (50,600 km<sup>2</sup>), making Doyon the largest private landholder in Alaska and among the largest private landowners in North America. The Doyon region encompasses a vast region in Interior Alaska, from Brooks Range in the north to the Alaska Range, and from Alaska's border with Canada in the east extending westward nearly to the shores of Norton Sound. As of March 2007, about 9.8 million acres (40,000 km<sup>2</sup>) have been conveyed, including 6.6 million acres (27,000 km<sup>2</sup>) in surface and subsurface estate (fee Owned) and 3.2 million acres (13,000 km<sup>2</sup>) of subsurface estate corresponding to surface estate owned by village corporations in the Doyon region.

Doyon lands, 12.5 million acres, are spread across the Doyon region, an area the size of the country of France. They include historical placer gold mining districts and geologically attractive environments, such as the Tintina Gold Belt, favorable for world-class gold deposits (Pogo, Fort Knox, True North, Vinasale, Donlin Creek, Shotgun), the Ambler Schist Belt, favorable for world-class base metal deposits (Bornite, Arctic and Chandalar Copper Belt) and sedimentary basins favorable for oil and gas deposits (Kandik, Yukon Flats, Nenana). Management of the development of Doyon-owned natural resources emphasizes long-term employment opportunities for Doyon shareholders, revenue to Doyon and shareholder dividends, and development activities be conducted in an environmentally sound and responsible manner which minimizes negative impacts on traditional shareholder activities such as hunting, fishing and trapping.

FYI – EPA engagement with Doyon: Doyon CEO, Aaron Schutt, participated in the working group that developed DOI's policy to consult with ANCSA Corporations. EPA met with Doyon on 4/8/14 and the CEO mentioned that this was their first use of consultation with a federal Agency. While they have not taken a position against the Pebble mine they are closely following EPA's work as they are concerned with any implications it might have on ANCSA Corporation lands.

### **Koniag, Incorporated**

Headquartered in Kodiak, Alaska, with additional offices in Anchorage, Koniag is a for-profit corporation with about 3,400 Alaska Native shareholders primarily of Alutiiq descent.

The Koniag region comprises Kodiak Island and the Kodiak Archipelago and a small portion of the southern coast of the Alaska Peninsula. Koniag's original land entitlement under ANCSA was 895 acres (3.6 km<sup>2</sup>), plus the subsurface estate of lands allocated to village corporations in the Koniag region. Complications of the land selection process, especially the lack of available land given the region's long history of non-Native settlement, led to land exchanges through which Koniag was permitted to select subsurface rights in lands along the coast of the Alaska Peninsula across Shelikof Strait from Kodiak Island. Later, some of the Alaska Peninsula lands were exchanged for land on Afognak Island.

Koniag holds title to approximately 123,000 acres of surface estate and 900,000 acres of subsurface estate. Surface estate is defined as land on the surface, excluding minerals, oil and gas, and sand and gravel. Subsurface estate is all or a variety of minerals, oil and gas, and sand and gravel. Most of Koniag's surface estate is on the west side of Kodiak Island, near the Sturgeon and Karluk Rivers. The Kodiak Island village corporations also received title to surface estate through ANCSA, scattered throughout Kodiak and Afognak Islands, and much of Koniag's subsurface holdings are for those lands.

Koniag is currently investigating potential quality rock and gravel sources near Shakmanof Cove for market purposes. Preliminary test results indicate the rock and gravel may meet State of Alaska standards for road construction projects.

"Koniag believes our commitment is to current and future Shareholders. Koniag is working very hard to find ways to generate profit from the lands that can sustain many generations of shareholders with respect to preserving our lands to ensure our subsistence rights are protected. Forsaking future generations for only the present by selling or mistreating our land could sever the important ties all Shareholders have with the land."

### **NANA Regional Corporation**

NANA is a for-profit corporation with a land base in the Kotzebue area in northwest Alaska. Its corporate office is in Kotzebue, Alaska. NANA's Alaska Native shareholders are of Inupiat descent.

NANA states their mission as follows: "We improve the quality of life for our people by maximizing economic growth, protecting and enhancing our lands, and promoting healthy communities with decisions, actions, and behaviors inspired by our Iñupiat Ilitqusiat values consistent with our core principles."

Most of NANA's approximately 12,000 shareholders are Alaska Natives of Inupiat descent. As an ANCSA corporation, NANA has no publicly traded stock and its shares cannot legally be sold, though Class A, B and C stocks can be inherited or gifted. Unlike other American corporations, NANA - as an Alaska Native Corporation, has economic, social and cultural responsibilities to its shareholders. A wide variety of unique shareholders services are offered through the corporation.

Until 1971, the issue of land ownership in Alaska was divisive. Oil was discovered on Alaska's North Slope and Alaska Native peoples, including the Iñupiat of northwest Alaska, worried about maintaining rights to traditional lands and the ability to protect their valuable subsistence resources. The passage of the Alaska Native Claims Settlement Act (or ANCSA) helped resolve many of the issues surrounding land rights.

Today, NANA owns 2,280,000 acres (9,200 km<sup>2</sup>), or approximately 9.4 percent of the 24,300,000 acres (98,000 km<sup>2</sup>) that comprise the NANA region. NANA lands encompass an area that is roughly the size of Indiana.

In 1972, a merger of the area's regional corporation and ten of the eleven village corporations resulted in NANA's ownership of both the surface and subsurface acreage, with the exception of the surface acreage Kikiktagruk Iñupiat Corporation (KIC) retained.

The land selection and conveyance process is now largely completed, but the work of our Lands Department continues to ensure that our rights are never again in question.

NANA-owned lands are managed by the NANA Lands and Regional Affairs Department.

NANA lands are part of the largest, unexplored on-shore basin in North America. The land is mineral-rich and NANA works with its partners to develop the resources to the benefit of its shareholders. NANA states that subsistence is the highest and best use of their lands and all projects must be in alignment with that priority. NANA is land-owner of the Red Dog Mine. The mine was developed in 1982 under an innovative operating agreement between NANA, a Native corporation owned by the Iñupiat people of northwest Alaska, and Teck Alaska, Inc. (Teck), a U.S. subsidiary of Teck Resources Limited, a diversified mining and metals company headquartered in Vancouver, British Columbia, Canada. NANA owns the land on which Red Dog Mine is situated, and NANA shareholders receive direct and indirect benefits from development at the mine.

NANA subsidiaries include NANA Development Corporation: NDC owns companies that operate in engineering and construction; resource development; facilities management and logistics; real estate and hotel development; and information technology and telecommunications.

An important provision, known as the 7(i) provision of the Alaska Native Claims Settlement Act (ANCSA), requires regional corporations to share 70 percent of their natural resource revenues with other regional corporations. The 7(j) provision governs how those shared resource revenues are distributed from regional corporations to village corporations.

These provisions mean that all Alaska Native peoples benefit from development on NANA lands. In fact, in 2012, NANA shared \$73.6 million in Red Dog Mine proceeds with the other regions, Kikiktagruk Inupiat Corporation, and at-large shareholders. This money helps other ANCs reach their goals, uplifting all Alaska Native peoples.

NANA – Red Dog Mine Benefits:

- \$1.9 billion estimated economic impact on the region and Alaska (1990-2009)
- Full-time family-supporting jobs for the local and regional economy
- \$34 million in total NANA shareholder earnings from Red Dog Mine (2012)
- 53 percent of Red Dog employees are NANA shareholders (2012)
- 586 shareholders employed at Red Dog Mine (2012)



## **Sealaska**

“Sealaska has strengthened business with culture since 1972. We are a Native institution owned by more than 21,000 tribal member shareholders whose core cultural values guide all that Sealaska does and represent the rich heritage of our Tlingit, Haida and Tsimshian people. We live our values to build excellence in our Native enterprise and take action towards our purpose: to strengthen our people, culture and homelands.”

Sealaska owns 290,000 acres (1,170 km<sup>2</sup>) of surface estate and 560,000 acres (2,270 km<sup>2</sup>) of subsurface estate in Southeast Alaska, making it the largest private landholder in the region.

Sealaska's principal economic enterprises have been the harvesting of timber and marketing of wood products to Pacific Rim countries and the Pacific Northwest, along with land and forest resource management. Sealaska has also diversified its business ventures to include plastics injection molding, manufacturing, environmental consulting, construction and manufacturing aggregates, information technology, and machining and prototyping.

Sealaska employs over 1,000 people, 52 percent of whom are shareholders and descendants working in non-manufacturing sectors of Sealaska's enterprises.

## **The 13<sup>th</sup> Regional Corporation**

The 13th Regional Corporation is a for-profit corporation presently headquartered in Seattle, Washington, with approximately 5,500 Alaska Native shareholders of Eskimo, American Indian, and Aleut descent. Its original enrollment was of Alaska Natives who were no longer resident in Alaska.

Unlike the other 12 Alaska Native regional corporations, The 13th Regional Corporation and its shareholders received only monetary compensation, with no land conveyance, in settlement of aboriginal land claims. Unlike the other corporations created under ANCSA, The 13th was denied by Congress from receiving ANCSA land as was provided the other 12 regions. If Congress had not inexplicitly denied the 13th land, their entitlement would have been approximately 1.2 million acres. Because the 13th shareholders did not receive a just an equal entitlement of land they have been denied any share in 7(i) revenues generated through sales of minerals, timber, and other valuable resources or development of selected lands through the revenue pooling provisions of ANCSA, as do the original 12 corporations and their shareholders.